“Role of Selected co-operative Banks In financial inclusion (With respect to Nanded District)”

A SYNOPSIS

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Role of Selected Co-operative Banks in Financial Inclusion
(With respect to Nanded District)

Introduction:-

Wants of human beings begins with his birth and ends with his death. To fulfill their wants they are in need of financial (Money) source which is a medium of exchange 'Money' is one of the important instrument to fulfill wants of human beings. However most of the people in the Society are unable to fulfill their basic necessities, due to lack of proper financial (Money) source. At present in the world approximately 2 billion people are excluded from financial services, in India 0.56 billion people are excluded from financial services. Without financial services they can't fulfill their basic wants. So they need a proper financial support to fulfill their wants, therefore the concept of financial inclusion (FI) has emerged in the end of 20^{th} Century in the world.

Before we see financial inclusion we must knowledge about financial exclusion. The 'financial exclusion' word was firstly used by Leyshon and Thrift in 1993. But broadly used in 1999 by Kempson and Whyley, those people who have excluded access to mainstream financial services was defined financial exclusion by them. Financial exclusion describes as a situation in which people do not have access main financial services like Bank account, insurances, loan etc.

According to the European commission “financial exclusion is a process whereby people encounter difficulties accessing or using financial services and products in the main stream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong.”

C. Rangarajan, “financial exclusion is defined as restricted access to financial services to certain segment of the society”

In short financial exclusion is the situation where vulnerable class of society is unable to access basic financial services.

The financial inclusion term was first time used by British Lexicon. Financial inclusion means providing financial services, who are excluded from financial services. financial inclusion term is new for Indian economy but it started in 1969 from nationalization of 20 Banks, establishment of RRBs and introduction of SHG-Bank linkage programs were the initiatives taken by RBI to provide financial accessibility to unbanked groups but these efforts are not sufficient to provide financial services to vast section of society. Therefore financial inclusion started in India with the recommendation of C. Rangarajan committee 2006.

Definitions of financial inclusion

Various definitions are given by different Governments, Institutions & Committees some of them and their indicators of financial inclusion are as follows.

- **ADB (2000)**

"Provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurances to poor and low-income households and their micro-enterprises"

ADB focus to this definition on giving wide range of financial services to low-income groups.

- **World Bank (2008)**

"Broad access to financial services implies an absence of prices and non-price barriers the use of financial services; it is difficult to define and, measure because access has many dimensions"

World Bank focuses on access of financial services such as deposits, credits, payments & insurance without barriers.

- **C. Rangrajan (Chairman of the committee of financial inclusion in India. 2008)**

"The process of ensuring access to financial services timely and adequate credit where needed by vulnerable groups such as weaker section and low income groups at an affordable cost."

C Rangarajan focusing on this definition on access of financial services at timely and adequate cost to vulnerable class.

All these definitions indicate that financial inclusion means broad access to financial services (like deposits, credits, payment, financial literacy, insurance etc.) to the vulnerable class of society at timely & reasonable cost.

So in short financial inclusion refers to access to vast range of financial services at affordable cost. It not only includes Banking products but also other financial services like insurance, money transfer etc.

The establishment of co-operative Bank is based on co-operation. The co-operative Banks are providing small loan & saving facilities to low level income group and this the main aim of financial inclusion scheme so with the emerged of financial inclusion, efforts of co-operative Banks are much considerable towards financial inclusion.

Need and significance of study

Financial inclusion is emerged as providing financial services to vulnerable class of society. Co-operative Banks have already providing financial services to low level income group. The emerged of FI scheme is support to co-operative Banks for their efforts. Nanded district INCLUSIX score is (2011) 32.8 (Maharashtra 37.5; India 40.1) and ranking in India is 337, in Maharashtra is 17. Score & ranking of INCLUSIX is to short in district but in 2009-2011 periods Nanded district is in first 50 districts in most gaining district in India. Means Nanded district is helpful to increasing in FI. In this gaining to know what is the contribution of co-operative banks in this direction this study is important and other hand what kind of expectation of people from co-operative banks is also important to know.

Statement of the problem: -

Most of the people in our country are excluded from financial inclusion, which is one of the major obstacles in the socio-economic development. In 21st

century the financial institutions are trying their level best by implementing various schemes of FI through adoption of slums, villages etc, to in close the poor people.

The research study addresses the issues involved in the adoption of the FI schemes and their problem & solutions.

Objectives of study:-

1) To study the main objectives of FI.
2) To know the need and significance of FI.
3) To analyze the current status of FI in Nanded district.
4) To study functions of co-operative banks in Nanded Dist.
5) To study the contribution of Co-operative banks in FI.
6) To study the socio economic status of vulnerable class.
7) To study the financial awareness among vulnerable class.

Hypothesis of study:-

H1:- Selected Co-operative banks have succeeded to include the vulnerable class in FI scheme in Nanded district.

H2:- FI has helped in up-Liftment of socio-economic status of vulnerable class in Nanded district.

H3:- FI has contributed to overcome the problem of debt trap among FI beneficiaries in Nanded district.

H4:- Selected co-operative Banks has success to increases awareness of financial inclusion among vulnerable class in Nanded district.

Research methodology

a) Data collection.

The present study will be analytical research based on quantitative data using statistical methods for accomplishing the objectives & hypothesis of the study and to conduct the investigation both primary and secondary data are collected, for collecting primary data survey method will be adopted.

A stratified random sampling technique will be used for collecting the primary data. A survey is carried out by personally visiting the beneficiaries of FI. The survey spread over in the 10 Talukas of Nanded district of Maharashtra state. A detailed and comprehensive questionnaire will be prepared for that.

b) Sample size

The study will cover 10 Talukas in Nanded district, where selected co-operative Banks are working from these Talukas 600 beneficiaries of financial inclusion scheme will be selected and also various officers and Bank staff related to financial inclusion scheme.

c) Parameters for present study

Thus being a study of FI the different parameters will be considered the primary and secondary data with reference to their parameters will be collected and analyzed. The following will be parameters, Bank, Financial inclusion, Bank account, saving, credit, debit, financial awareness etc.

Tools for Analysis

The secondary data with reference to period 2011-12 to 2015-16 will be analyzed. The primary data collected from the beneficiaries of FI will be processed with the help of computer by using the appropriate software packages available. As far as statistical tools concern correlation and X^2 analysis will be used.

Study Area

The study will be focusing financial inclusion by the selected co-operative Banks in Nanded district. The beneficiary (Respondents) of this study will be limited to Nanded district and as well as selected co-operative Banks.

Chapter Scheme: -

Chapter- 1 Introduction

This chapter will contains introduction of research methodology and concept of financial inclusion it also contain following part

- Introduction
- Statement of problem
- Importance and objective of research
- Hypothesis of the study
- Research methodology
- Sampling
- Data collection
- Limitation of research

- Review of literature
- References

Chapter- 2 Financial inclusion

This chapter will include meaning, definitions, objectives and tools of financial inclusion. Various measurements (index) of financial inclusion. It'll also include initiatives of financial inclusion various countries, India as well as in Maharashtra.

Chapter- 3 Profile of selected co-operative Bank in Nanded dist.

This chapter will contain profile of Nanded district and selected co-operative Banks. These will be the selected co-operative Banks.

i) Bhgya-Laxmi Mhila Sahakari Bank, Nanded.

ii) Godavari urban co-operative Bank, Nanded.

iii) Markanday urban co-operative Bank, Nanded.

iv) Jay Shivray urban co-operative Bank, Nanded.

v) Loha urban copoperative Bank, Loha.

Chapter- 4 Interpretation & analysis of primary data & secondary data

This chapter contains analysis of primary as well as secondary data which will be collected by questionnaires and it will be presented by tables and diagrams.

Chapter- 5 Findings and conclusions

This chapter will contain findings and conclusion which will be based on study of selected co-operative Banks of Nanded district.

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